

THE LEVY SYSTEM



**YOUR INDUSTRY.
YOUR VOICE.
YOUR FUTURE.**

Sheep Producers Australia (SPA) is responsible for oversight of the levy investment and for advising the Minister of Agriculture and Water Resources on the levy rate and distribution. SPA works daily to ensure levy investment is clearly directed and that producers' best interests are met through the provision of RD&E, services, programs and marketing.

Each of SPA's four policy committees play an important role in ensuring levy money is spent correctly in evaluating the performance of and planning of the strategic goals to be pursued by levy funded body Meat & Livestock Australia (MLA).

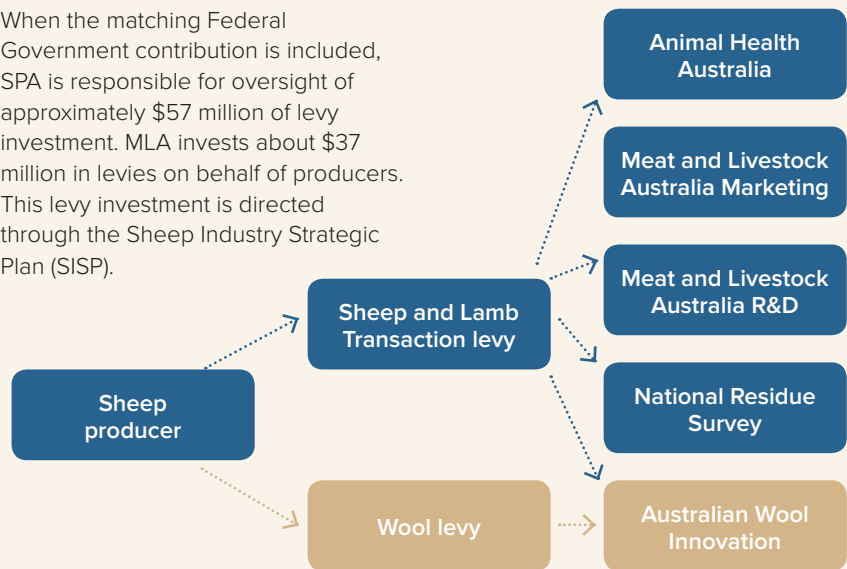
A sheep producer pays two levies:

1. A transaction levy at the point of sale of a lamb or sheep
2. A wool levy at the sale of wool

The transaction levy is capped so that it does not exceed:

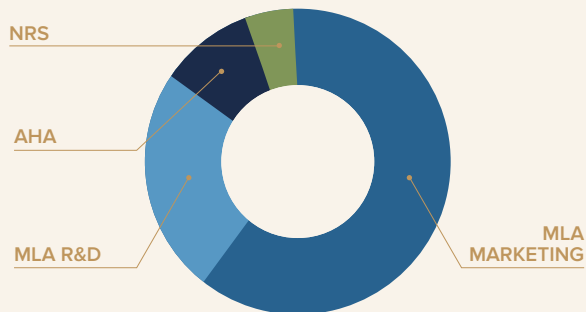
- \$0.20 for sheep. If the sale price is \$10 or over, the levy still \$0.20
- \$1.50 for lambs. If the sale price is \$75 or over, the levy is still \$1.50

When the matching Federal Government contribution is included, SPA is responsible for oversight of approximately \$57 million of levy investment. MLA invests about \$37 million in levies on behalf of producers. This levy investment is directed through the Sheep Industry Strategic Plan (SISP).



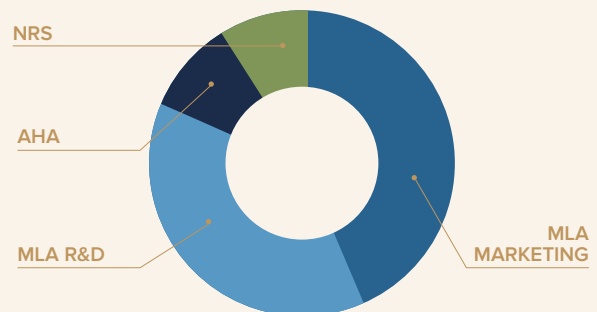
LAMB LEVY DISTRIBUTION

The lamb levy raises \$40.9 million and is distributed in the following way:



SHEEP LEVY DISTRIBUTION

The sheep levy raises \$3 million and is distributed in the following way:



Key industry partners of which SPA has legislative oversight of producers' levy investments include:

- **Meat & Livestock Australia (MLA)** MLA is a producer-owned, not-for-profit organisation that delivers research, development and marketing services to Australia's red meat industry.

- **National Residue Survey (NRS)** NRS validates good agricultural practices through the national residue monitoring program and validates Australia's system for managing the risk of chemical residues and environmental contaminants in animal and plant products.

- **Animal Health Australia (AHA)** AHA is a not-for-profit public company that facilitates innovative partnerships between governments, major livestock industries and other stakeholders.